

AUDITING PROCEDURES REPORT

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Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name VILLAGE OF CLINTON	County LENAWEE
Audit Date MARCH 31, 2005	Opinion Date APRIL 29, 2005	Date Accountant Report Submitted to State: AUGUST 23, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

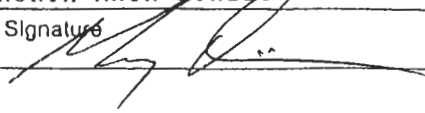
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGR).			X

Certified Public Accountant (Firm Name) ROBERTSON, EATON & OWEN, P.C.			
Street Address 121 NORTH MAIN STREET	City ADRIAN	State MI	ZIP 49221
Accountant Signature 			

VILLAGE OF CLINTON, MICHIGAN
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2005
WITH
INDEPENDENT AUDITORS' REPORT

VILLAGE OF CLINTON, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended March 31, 2005

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VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended March 31, 2005

As management of the Village of Clinton, Michigan, we offer readers of the Village of Clinton, Michigan's financial statements this narrative overview and analysis of the financial activities of the Village of Clinton, Michigan for the fiscal year ended March 31, 2005. We encourage readers to consider the information presented here.

Financial Highlights

- ◆ The assets of the Village of Clinton, Michigan exceeded its liabilities at the close of the most recent fiscal year \$12,498,016 (*net assets*). Of this amount, \$1,866,544 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The government's total net assets increased \$671,023. This increase is attributable to \$1,000,000 in bequests received from the John F. Robison Estate.
- ◆ As of the close of the current year, the Village of Clinton, Michigan's governmental funds reported combined ending fund balances of \$3,441,152, an increase of \$810,765 in comparison with the prior year.
- ◆ At the end of the current year, unreserved fund balance for the general fund was \$574,262, or 68.5% percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Clinton, Michigan's basic financial statements. The Village of Clinton, Michigan's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Village of Clinton, Michigan's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Village of Clinton, Michigan's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village of Clinton, Michigan is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the Village of Clinton, Michigan that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village of Clinton, Michigan include general government, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of the Village of Clinton, Michigan include the utility systems.

The government-wide financial statements include not only the Village of Clinton, Michigan itself (known as the *primary government*), but also a legally separate Downtown Development Authority (DDA) for which the Village of Clinton, Michigan is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 5 – 8 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that been segregated for specific activities or objectives. The Village of Clinton, Michigan, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Clinton, Michigan can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village of Clinton, Michigan maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund, and permanent funds, which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Village of Clinton, Michigan adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for all governmental funds (except the permanent funds) to demonstrate compliance with budget.

The basic governmental fund financial statements can be found on pages 9 – 15 of this report.

Proprietary funds. The Village of Clinton, Michigan maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village of Clinton, Michigan uses enterprise funds to account for its electric, water, and sewer funds. The *Internal service fund* is an accounting device used to accumulate and allocate costs internally among the Village of Clinton, Michigan's various functions. The Village of Clinton, Michigan uses an internal service fund to account for equipment and charge out expense (Equipment Fund). Because this service predominantly benefits governmental rather than a business-type function it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water, and Sewer Funds, which are considered to be major funds of the Village of Clinton, Michigan. The internal service fund (Equipment Fund) is in the proprietary fund financial statements.

The basic fund financial statements can be found on pages 16 – 20 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 – 42 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following notes to the financing statements. Combining statements and individual fund schedules can be found on pages 43 – 51 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Clinton, Michigan, assets exceeded liabilities by \$12,498,016 at the close of the most recent fiscal year.

By far the largest portion of the Village of Clinton, Michigan's net assets (56 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. The Village of Clinton, Michigan uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Village of Clinton, Michigan's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Village of Clinton, Michigan's Net Assets

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current and other assets	\$ 3,378,907	\$ 2,336,307	\$ 5,715,214
Capital assets	<u>3,186,301</u>	<u>4,235,128</u>	<u>7,421,429</u>
Total assets	<u>\$ 6,565,208</u>	<u>\$ 6,571,435</u>	<u>\$ 13,136,643</u>
Long term liabilities outstanding	\$ 380,000	\$	\$ 380,000
Other liabilities	<u>123,098</u>	<u>135,529</u>	<u>258,627</u>
Total liabilities	<u>\$ 503,098</u>	<u>\$ 135,529</u>	<u>\$ 638,627</u>
Net assets:			
Invested in capital assets, net of related debt	\$ 2,791,301	\$ 4,235,128	\$ 7,026,429
Restricted	2,698,193	906,850	3,605,043
Unrestricted	<u>572,616</u>	<u>1,293,928</u>	<u>1,866,544</u>
Total net assets	<u>\$ 6,062,110</u>	<u>\$ 6,435,906</u>	<u>\$ 12,498,016</u>

An additional portion of the Village of Clinton, Michigan's net assets (29 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$1,866,544) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Village of Clinton, Michigan is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Financial Analysis of the Government's Funds

As noted earlier, the Village of Clinton, Michigan uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Village of Clinton, Michigan's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village of Clinton, Michigan's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of this fiscal year.

As of the end of the current fiscal year, the Village of Clinton, Michigan's governmental funds reported combined ending fund balances of \$3,441,152, an increase of \$810,765 in comparison with the prior year. Approximately 5.4% of this amount (\$187,815) is committed to capital projects. Reserved fund balance (\$2,489,768) is not available for new spending since it already is committed. Permanent (Trusts) fund money (\$2,486,617) represent most of the reserved fund balance. Special Revenue Funds have \$165,490 available for their special uses.

The general fund is the chief operating fund of the Village of Clinton, Michigan. At the end of the current fiscal year, unreserved fund balance of the general fund was \$574,262.

The fund balance of the Village of Clinton, Michigan's general fund increased by \$132,462 during the current fiscal year. A key factor in this increase was general fund revenues were up 4.5% from prior year while expenditures were relatively constant.

Proprietary fund - The Village of Clinton, Michigan's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the utility funds at the end of the year amounted to \$1,293,928. The total increase in net assets for the fund was \$316,683.

General Fund Budgetary Highlights

The following budget highlights noted:

- ◆ \$8,670 change in truck and equipment repairs and supplies were funded from fund reserves.
- ◆ \$2,300 change in professional services for building inspections of new homes were funded from increased building inspection fees.
- ◆ \$5,000 change in professional services for the Park Master Plan was funded from fund reserves.

Capital Asset and Debt Administration

Capital assets. The Village of Clinton, Michigan's investment in capital assets for its governmental and business-type activities as of March 31, 2005, amounts to \$7,421,429 (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility systems, machinery and equipment, roads, and other infrastructure. The total increase in the Village of Clinton, Michigan's investment in capital assets for the current fiscal year was 9.4% (a 2.2% increase for governmental activities and a 7.2 percent increase for business-type activities).

Major capital asset event during the current fiscal year was:

- ◆ Construction on water and sewer line extensions (\$457,236).

Village of Clinton, Michigan's Capital Assets

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 170,152	\$ 30,644	\$ 200,796
Land improvements	368,120		368,120
Buildings	444,934		444,934
Equipment and furnishings	553,110		553,110
Infrastructure	1,481,288	4,204,484	5,685,772
Construction in progress	<u>168,697</u>	<u> </u>	<u>168,697</u>
Total	<u>\$ 3,186,301</u>	<u>\$ 4,235,128</u>	<u>\$ 7,421,429</u>

Additional information on the Village of Clinton's capital assets can be found in Note 3. C. on pages 31 – 32. .

Long-term debt. At the end of the current fiscal year, the Village of Clinton, Michigan had total bonded and note debt outstanding of \$589,000 which is backed by the full faith and credit of the government.

Village of Clinton, Michigan's Outstanding Debt General Obligation Bonds

	<u>Governmental Activities</u>	<u>DDA</u>	<u>Total</u>
General obligation bonds	\$ 395,000	\$ 130,000	\$ 525,000
Note payable	<u> </u>	<u>64,000</u>	<u>64,000</u>
Total	<u>\$ 395,000</u>	<u>\$ 194,000</u>	<u>\$ 589,000</u>

Additional information on the Village of Clinton, Michigan's long-term debt can be found in Note 3. E. on pages 34 – 35 of this report.

Economic Factors and Next Year's Budgets and Rates

The budget for the coming year reflects more cuts in State Revenue Sharing while other general fund revenues are expected to be similar to prior year.

Requests for Information

This financial report is designed to provide a general overview of the Village of Clinton, Michigan's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of Clinton, 119 East Michigan Avenue, P.O. Box Drawer E, Clinton, Michigan 49236.

April 29, 2005

INDEPENDENT AUDITORS' REPORT

Village Council
Village of Clinton
Clinton, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Clinton, Michigan, as of and for the year ended March 31, 2005, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Clinton, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Clinton, Michigan, as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Village has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of April 1, 2004.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2005 on our consideration of Village of Clinton, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

April 29, 2005

Village Council
Village of Clinton
Clinton, Michigan

The management's discussion and analysis on pages i through vi are is a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Clinton, Michigan's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Robertson, Eaton & Owen, P.C.

April 29, 2005

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Village Council
Village of Clinton
Clinton, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Clinton, Michigan, as of and for the year ended March 31, 2005, which collectively comprise the Village of Clinton, Michigan's basic financial statements and have issued our report thereon dated April 29, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Village of Clinton, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

April 29, 2005

Village Council
Village of Clinton
Clinton, Michigan

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Village of Clinton, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management of Village of Clinton, Michigan, Departments of the State of Michigan, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robertson, Eaton & Owen, P.C.

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF NET ASSETS

March 31, 2005

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Cash	\$ 648,642	\$ 361,808	\$ 1,010,450	\$ 102,645
Investments	2,532,638	856,768	3,389,406	
Receivables (net of allowance for uncollectibles):				
Accounts	37,452	356,454	393,906	604
Prepaid expenses	22,175	18,182	40,357	
Internal balances	138,000	(138,000)		
Due from primary government				2,963
Inventories		44,828	44,828	
Restricted assets:				
Cash		19,470	19,470	
Investments in joint venture		816,797	816,797	
Capital assets:				
Land	170,152	30,644	200,796	
Land improvements	552,180		552,180	269,000
Machinery; equipment; and furnishings	1,450,617	1,235,994	2,686,611	
Buildings	1,154,425	4,054,167	5,208,592	
Infrastructure	3,906,489	3,449,170	7,355,659	
Less: Accumulated depreciation	(4,216,259)	(4,534,847)	(8,751,106)	(69,933)
Construction in progress	168,697		168,697	
Total assets	\$ 6,565,208	\$ 6,571,435	\$ 13,136,643	\$ 305,279

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
LIABILITIES				
Accounts payable	\$ 23,795	\$ 27,202	\$ 50,997	\$
Accrued liabilities	8,013	12,911	20,924	
Liabilities payable from restricted assets		19,470	19,470	
Due to component unit	2,963		2,963	
Interest payable	6,280		6,280	5,045
Accrued sick and vacation pay – current	23,584	75,946	99,530	
Noncurrent liabilities:				
Due within one year	58,463		58,463	32,000
Due in more than one year	380,000		380,000	162,000
Total liabilities	503,098	135,529	638,627	199,045
NET ASSETS:				
Invested in capital assets, net of related debt	\$ 2,791,301	\$ 4,235,128	\$ 7,026,429	\$ 5,067
Restricted for:				
Investment in joint venture (Note 7)		816,797	816,797	
Water Treatment Plant		90,053	90,053	
Highways and streets	96,299		96,299	
Public safety	17,769		17,769	
Culture and recreation	51,422		51,422	
Debt Service	151		151	
Capital Projects	19,118		19,118	
Permanent Funds:				
Expendable	1,278,821		1,278,821	
Nonexpendable	1,234,613		1,234,613	
Unrestricted	572,616	1,293,928	1,866,544	101,167
Total net assets	\$ 6,062,110	\$ 6,435,906	\$ 12,498,016	\$ 106,234

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2005

PROGRAM REVENUES

	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>
Functions/Programs				
Primary Government:				
Governmental activities:				
General government	\$ 307,756	\$ 31,106	\$	\$
Public safety	532,367	119,011	31,916	
Culture and recreation	131,583	21,520		500,000
Sanitation	83,095	79,455		
Highways and streets	414,495			
Interest on long term debt	<u>15,109</u>			
Total governmental activities	<u>1,484,405</u>	<u>251,092</u>	<u>31,916</u>	<u>500,000</u>
Business-Type Activities:				
Electric Fund	2,395,087	2,594,346		
Water Fund	204,783	159,487		
Sewer Fund	<u>603,007</u>	<u>470,586</u>		
Total business-type activities	<u>3,202,877</u>	<u>3,224,419</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 4,687,282</u>	<u>\$ 3,475,511</u>	<u>\$ 31,916</u>	<u>\$ 500,000</u>
Component Unit:				
Downtown Development Authority	\$	\$	\$	\$
Interest on long term debt				
Total component unit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Property taxes
Intergovernmental – State
Licenses, fees, and fines
Contributions not restricted to specific programs
Investment earnings
Miscellaneous revenues
Transfers

Total general revenues and transfers

Change in net assets

Net assets – beginning of year

Net assets – end of year

The notes to the financial statements are an integral part of this statement.

NET (EXPENSE) REVENUE AND
CHANGES IN NET ASSETS

PRIMARY GOVERNMENT			COMPONENT UNIT
Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
\$ (276,650)	\$	\$ (276,650)	\$
(381,440)		(381,440)	
389,937		389,937	
(3,640)		(3,640)	
(414,495)		(414,495)	
<u>(15,109)</u>		<u>(15,109)</u>	
<u>(701,397)</u>	<u>-</u>	<u>(701,397)</u>	<u>-</u>
	199,259	199,259	
	(45,296)	(45,296)	
	<u>(132,421)</u>	<u>(132,421)</u>	
<u>-</u>	<u>21,542</u>	<u>21,542</u>	<u>-</u>
<u>\$ (701,397)</u>	<u>\$ 21,542</u>	<u>\$ 679,855</u>	<u>\$ -</u>
\$	\$	\$	\$ (9,258)
<u>-</u>			<u>(13,024)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,282)</u>
\$ 659,174	\$	\$ 659,174	\$ 75,877
366,815		366,815	
12,693		12,693	
500,000		500,000	
48,961	26,950	75,911	707
32,877	4,091	36,968	
<u>(248,100)</u>	<u>264,100</u>	<u>16,000</u>	<u>(16,000)</u>
<u>1,372,420</u>	<u>295,141</u>	<u>1,667,561</u>	<u>60,584</u>
671,023	316,683	987,706	38,302
<u>5,391,087</u>	<u>6,119,223</u>	<u>11,510,310</u>	<u>67,932</u>
<u>\$ 6,062,110</u>	<u>\$ 6,435,906</u>	<u>\$ 12,498,016</u>	<u>\$ 106,234</u>

VILLAGE OF CLINTON, MICHIGAN
BALANCE SHEET

GOVERNMENTAL FUNDS

March 31, 2005

ASSETS	PERMANENT FUNDS					Total Governmental Funds
	General	Capital Projects	Village of Clinton Robison Trust	John F. Robison Tate Park	Other Governmental Funds	
Cash	\$ 432,940	\$ 19,665	\$ 1,120,430	\$ 1,255,004	\$ 145,473	\$ 598,078
Investments at cost	157,204					2,532,638
Receivables:						
Accounts	21,756				15,479	37,235
Due from other funds	547				4,754	5,301
Advance to other funds			138,000			138,000
Prepaid expense	13,557				8,618	22,175
Construction in progress		168,697				168,697
Total assets	<u>\$ 626,004</u>	<u>\$ 188,362</u>	<u>\$ 1,258,430</u>	<u>\$ 1,255,004</u>	<u>\$ 174,324</u>	<u>\$ 3,502,124</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 16,359	\$	\$	\$	\$ 4,872	\$ 21,231
Accrued liabilities	6,459				1,434	7,893
Due to other funds	2,377	547			2,377	5,301
Due to component unit	2,963					2,963
Accrued sick and vacation pay	23,584					23,584
Total liabilities	<u>51,742</u>	<u>547</u>	<u>-</u>	<u>-</u>	<u>8,683</u>	<u>60,972</u>
Fund Balances:						
Reserved For:						
Debt service					151	151
Advance			138,000			138,000
Endowment			1,096,613			1,096,613
Tate Park				1,255,004		1,255,004
Unreserved, Reported In:						
General Fund	574,262					574,262
Special Revenue Funds					165,490	165,490
Capital Projects Fund		187,815				187,815
Permanent Funds			23,817			23,817
Total fund balances	<u>574,262</u>	<u>187,815</u>	<u>1,258,430</u>	<u>1,255,004</u>	<u>165,641</u>	<u>3,441,152</u>
Total liabilities and fund balances	<u>\$ 626,004</u>	<u>\$ 188,362</u>	<u>\$ 1,258,430</u>	<u>\$ 1,255,004</u>	<u>\$ 174,324</u>	<u>\$ 3,502,124</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS

March 31, 2005

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Note: Construction in progress is in the Governmental Funds (in Capital Projects Fund) of \$168,697.	\$ 3,017,604
Accrued interest payable on long term debt is recognized in governmental funds when paid and not when accrued.	(6,280)
Long-term portion of accrued sick and vacation pay liability are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(43,463)
Loan indebtedness are recognized in the governmental funds when paid and not when accrued.	(395,000)
Internal Service Fund (Equipment Fund) is used by the Village to charge for equipment rental to individual funds. The assets and liabilities of the Equipment Fund are included in governmental activities in the Statement of Net Assets. Note: The net capital assets (\$269,949) of the Equipment Fund are included in the Capital Asset figure above (\$3,017,604), and not in this adjustment.	<u>48,097</u>
Net differences	2,620,958
Total fund balance in governmental funds	<u>3,441,152</u>
Total net assets of governmental activities	<u>\$ 6,062,110</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended March 31, 2005

	PERMANENT FUNDS					
	General	Capital Projects	Village of Clinton Robison Trust	John F. Robison Tate Park	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 610,113	\$	\$	\$	\$ 49,061	\$ 659,174
Intergovernmental revenues	248,978				149,753	398,731
Licenses, fees and charges for services	163,305				14,050	177,355
Rentals	9,330				7,470	16,800
Interest	10,907	82	37,227	36,604	2,058	86,878
Other	23,313				9,564	32,877
Townships					69,630	69,630
Contributions						
Realized gain (loss) on investment			500,000 (2,132)	500,000 (2,457)		1,000,000 (4,589)
Unrealized gain (loss) on investment			(14,851)	(18,477)		(33,328)
Total revenues	1,065,946	82	520,244	515,670	301,586	2,403,528
Expenditures:						
Current:						
General government	286,237		2,951	2,943		292,131
Public safety	375,671				137,281	512,952
Culture and recreation	44,208				73,184	117,392
Sanitation	83,095					83,095
Highways and streets	48,030				175,773	223,803
Debt Service:						
Principal					15,000	15,000
Interest					15,290	15,290
Total expenditures	837,241	-	2,951	2,943	416,528	1,259,663
Excess (deficiency) of revenues over (under) expenditures	228,705	82	517,293	512,727	(114,942)	1,143,865
Other financing sources (uses):						
Transfers in	547				132,790	133,337
Transfers out	(96,790)	(349,647)			(20,000)	(466,437)
Total other financing sources (uses)	(96,243)	(349,647)	-	-	112,790	(333,100)
Net change in fund balance	132,462	(349,565)	517,293	512,727	(2,152)	810,765
Fund balances at beginning of year	441,800	537,380	741,137	742,277	167,793	2,630,387
Fund balances at end of year	\$ 574,262	\$ 187,815	\$ 1,258,430	\$ 1,255,004	\$ 165,641	\$ 3,441,152

VILLAGE OF CLINTON, MICHIGAN

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended March 31, 2005

Amounts reported for governmental activities in the Statement of
Activities are different because:

Net change in fund balance – total governmental funds	\$		\$ 810,765
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Government funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays was less than depreciation in the current period. (Total depreciation \$245,168 less total capital outlays \$28,687).

<p>Note: Capital outlay does not include Equipment Fund capital asset additions or its depreciation.</p>			(216,481)
---	--	--	-----------

This issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these assets. This amount is the net effect of these differences in the treatment of long-term debt.

Debt incurred during current year	-		
Less: Principal repayment	15,000		15,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds –

Accrued interest – net			181
Accrued long-term sick and vacation pay – net effect			(270)

Internal Service Fund (Equipment Fund) is used by the Village to charge equipment rental to individual funds. The net income of this activity is reported with governmental activities.

61,828

Change in net assets in governmental activities			<u>\$ 671,023</u>
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The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the Year Ended March 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 572,000	\$ 572,000	\$ 610,113	\$ 38,113
Intergovernmental revenue	173,350	173,350	248,978	75,628
Licenses, fees and charges for services	132,900	132,900	163,305	30,405
Rentals	8,750	8,750	9,330	580
Interest	5,000	5,000	10,907	5,907
Other	<u>38,000</u>	<u>38,000</u>	<u>23,313</u>	<u>(14,687)</u>
Total revenues	<u>930,000</u>	<u>930,000</u>	<u>1,065,946</u>	<u>135,946</u>
Expenditures:				
General Government:				
Council	16,100	16,100	11,659	4,441
Administration	98,230	98,230	95,801	2,429
Election	2,250	2,250	4	2,246
Buildings and grounds	140,990	140,990	140,179	811
Planning Commission	33,550	33,550	10,639	22,911
Professional service	10,000	10,000	9,784	216
Insurance	<u>23,000</u>	<u>23,000</u>	<u>18,171</u>	<u>4,829</u>
Total General Government	<u>324,120</u>	<u>324,120</u>	<u>286,237</u>	<u>37,883</u>
Public Safety:				
Police Department	371,160	371,160	359,041	12,119
Building and zoning inspection	<u>13,090</u>	<u>15,390</u>	<u>16,630</u>	<u>(1,240)</u>
Total Public Safety	<u>384,250</u>	<u>386,550</u>	<u>375,671</u>	<u>10,879</u>
Highways and Streets:				
Street lighting	45,000	45,000	46,015	(1,015)
Sidewalk	<u>2,000</u>	<u>2,000</u>	<u>2,015</u>	<u>(15)</u>
Total Highways and Streets	<u>47,000</u>	<u>47,000</u>	<u>48,030</u>	<u>(1,030)</u>
Sanitation:				
Waste collection and disposal	<u>80,000</u>	<u>80,000</u>	<u>83,095</u>	<u>(3,095)</u>
Culture – Recreation:				
Parks	<u>31,550</u>	<u>36,550</u>	<u>44,208</u>	<u>(7,658)</u>
Total expenditures	<u>866,920</u>	<u>874,220</u>	<u>837,241</u>	<u>36,979</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL

For the Year Ended March 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess of revenues over expenditures	\$ 63,080	\$ 55,780	\$ 228,705	\$ 172,925
Other financing sources (uses):				
Transfers in			547	547
Transfers out	<u>(112,410)</u>	<u>(121,080)</u>	<u>(96,790)</u>	<u>24,290</u>
Total other financing sources (uses)	<u>(112,410)</u>	<u>(121,080)</u>	<u>(96,243)</u>	<u>24,837</u>
Net change in fund balance	(49,330)	(65,300)	132,462	197,762
Fund balance – beginning of year			<u>441,800</u>	
Fund balance – end of year			<u>\$ 574,262</u>	

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL

For the Year Ended March 31, 2005

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Interest	\$ _____	\$ _____	\$ 82	\$ 82
Total revenues	_____	_____	82	82
Expenditures:				
Capital outlay:				
Highways and streets	33,790	33,790		33,790
Professional fess	<u>5,000</u>	<u>5,000</u>	_____	<u>5,000</u>
Total expenditures	<u>38,790</u>	<u>38,790</u>	_____	<u>38,790</u>
Excess (deficiency) of revenues over (under) expenditures	(38,790)	(38,790)	82	38,872
Other financing uses:				
Transfers out	_____	_____	(349,647)	(349,647)
Net change in fund balance	(38,790)	(38,790)	(349,565)	(310,775)
Fund balance -- beginning of year			<u>537,380</u>	
Fund balance -- end of year			<u>\$ 187,815</u>	

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

March 31, 2005

	Business-Type Activity Enterprise Funds				Governmental Activity - Internal Service Fund
	Electric Fund	Water Fund	Sewer Fund	Totals (Memorandum Only)	Equipment Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 207,255	\$ 95,669	\$ 58,884	\$ 361,808	\$ 50,564
Investments	673,108	53,774	129,886	856,768	
Receivables:					
Accounts	291,654	14,425	44,049	350,128	
Accrued interest	4,118	885	1,323	6,326	217
Prepaid expenses and other assets	10,198	3,370	4,614	18,182	
Inventories	<u>44,828</u>	<u></u>	<u></u>	<u>44,828</u>	<u></u>
Total current assets	<u>1,231,161</u>	<u>168,123</u>	<u>238,756</u>	<u>1,638,040</u>	<u>50,781</u>
Noncurrent assets:					
Restricted assets:					
Cash	<u>16,820</u>	<u>610</u>	<u>2,040</u>	<u>19,470</u>	<u>-</u>
Investment in joint venture	<u>816,797</u>	<u>-</u>	<u>-</u>	<u>816,797</u>	<u>-</u>
Capital assets:					
Land	17,495	3,000	10,149	30,644	
Buildings	490,113	73,715	3,490,339	4,054,167	
Utility systems	1,663,143	1,028,925	757,102	3,449,170	
Equipment/trucks	1,031,615	115,015	89,364	1,235,994	893,820
Less: Accumulated depreciation	<u>(2,178,806)</u>	<u>(529,553)</u>	<u>(1,826,488)</u>	<u>(4,534,847)</u>	<u>(623,871)</u>
Total capital assets – net	<u>1,023,560</u>	<u>691,102</u>	<u>2,520,466</u>	<u>4,235,128</u>	<u>269,949</u>
Total, noncurrent assets	<u>1,857,177</u>	<u>691,712</u>	<u>2,522,506</u>	<u>5,071,395</u>	<u>269,949</u>
Total assets	<u>\$ 3,088,338</u>	<u>\$ 859,835</u>	<u>\$ 2,761,262</u>	<u>\$ 6,709,435</u>	<u>\$ 320,730</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

March 31, 2005

	Business-Type Activity Enterprise Funds			Governmental Activity - Internal Service Fund	
	Electric Fund	Water Fund	Sewer Fund	Totals (Memorandum Only)	Equipment Fund
LIABILITIES:					
Current liabilities:					
Accounts payable	\$ 2,848	\$ 15,254	\$ 9,100	\$ 27,202	\$ 2,564
Accrued expenses	10,088	604	2,219	12,911	120
Due to other funds		44,160	93,840	138,000	
Total current liabilities	12,936	60,018	105,159	178,113	2,684
Current liabilities payable from restricted assets:					
Customer deposits	16,820	610	2,040	19,470	-
Noncurrent liabilities:					
Accrued leave	42,223	8,628	25,095	75,946	-
Total liabilities	71,979	69,256	132,294	273,529	2,684
Net assets:					
Invested in capital assets, net of related debt	1,023,560	691,102	2,520,466	4,235,128	269,949
Restricted in joint venture	816,797			816,797	
Reserved for water treatment plant		90,053		90,053	
Unrestricted	1,176,002	9,424	108,502	1,293,928	48,097
Total net assets	\$ 3,016,359	\$ 790,579	\$ 2,628,968	\$ 6,435,906	\$ 318,046

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

For the Year Ended March 31, 2005

	Business-Type Activity Enterprise Funds			Governmental Activity - Internal Service Fund	
	Electric Fund	Water Fund	Sewer Fund	Totals (Memorandum Only)	Equipment Fund
Operating revenues:					
Metered sales	\$ 2,549,961	\$ 149,364	\$ 409,482	\$ 3,108,807	\$
Penalties and service charges	38,670	6,737	10,747	56,154	
Miscellaneous	5,715	3,386	50,357	59,458	2,910
Rentals					85,440
Total operating revenues	<u>2,594,346</u>	<u>159,487</u>	<u>470,586</u>	<u>3,224,419</u>	<u>88,350</u>
Operating expenses:					
Light plant	57,049			57,049	
Purchased power	1,761,407			1,761,407	
Administrative	190,666	65,040	71,832	327,538	
Electric distribution system	307,186			307,186	
Water distribution		106,219		106,219	
Collection system			28,813	28,813	
Sewer treatment plant			255,995	255,995	
Depreciation	78,779	31,634	86,015	196,428	57,065
Professional services			156,335	156,335	
Equipment operation and maintenance					55,240
Total operating expenses	<u>2,395,087</u>	<u>202,893</u>	<u>598,990</u>	<u>3,196,970</u>	<u>112,305</u>
Operating income (loss)	<u>199,259</u>	<u>(43,406)</u>	<u>(128,404)</u>	<u>27,449</u>	<u>(23,955)</u>
Nonoperating revenues (expenses):					
Income from joint venture	4,091			4,091	
Interest income	17,469	3,372	6,109	26,950	783
Interest expense		(1,890)	(4,017)	(5,907)	
Total nonoperating revenues (expenses)	<u>21,560</u>	<u>1,482</u>	<u>2,092</u>	<u>25,134</u>	<u>783</u>
Income (loss) before transfers	220,819	(41,924)	(126,312)	52,583	(23,172)
Transfers in		138,831	210,269	349,100	85,000
Transfers out	<u>(85,000)</u>			<u>(85,000)</u>	
Change in net assets	135,819	96,907	83,957	316,683	61,828
Total net assets – beginning of year	<u>2,880,540</u>	<u>693,672</u>	<u>2,545,011</u>	<u>6,119,223</u>	<u>256,218</u>
Total net assets – end of year	<u>\$ 3,016,359</u>	<u>\$ 790,579</u>	<u>\$ 2,628,968</u>	<u>\$ 6,435,906</u>	<u>\$ 318,046</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended March 31, 2005

DECREASE IN CASH AND CASH EQUIVALENTS

	Business-Type Activity Enterprise Funds				Governmental Activity Internal Service Fund
	Electric Fund	Water Fund	Sewer Fund	Totals (Memorandum Only)	Equipment Fund
Cash flows from operating activities:					
Cash received from customers	\$ 2,594,385	\$ 160,377	\$ 471,203	\$ 3,225,965	\$ 88,350
Cash paid to suppliers/employees	<u>(2,468,834)</u>	<u>(162,606)</u>	<u>(511,099)</u>	<u>(3,142,539)</u>	<u>(54,378)</u>
Net cash provided by (used in) operating activities	<u>125,551</u>	<u>(2,229)</u>	<u>(39,896)</u>	<u>83,426</u>	<u>33,972</u>
Cash flows from noncapital financing activities:					
Transfer to Equipment Fund	(85,000)			(85,000)	85,000
Transfer from Capital Projects	<u></u>	<u>138,831</u>	<u>210,269</u>	<u>349,100</u>	<u></u>
Net cash provided by (used in) noncapital financing activities	<u>(85,000)</u>	<u>138,831</u>	<u>210,269</u>	<u>264,100</u>	<u>85,000</u>
Cash flows from investing activities:					
Capital expenditures	(77,803)	(141,109)	(316,128)	(535,040)	(121,619)
Interest received	13,351	2,487	4,786	20,624	566
Interest expense	<u></u>	<u>(1,890)</u>	<u>(4,017)</u>	<u>(5,907)</u>	<u></u>
Net cash used by investing activities	<u>(64,452)</u>	<u>(140,512)</u>	<u>(315,359)</u>	<u>(520,323)</u>	<u>(121,053)</u>
Net decrease in cash and cash equivalents	(23,901)	(3,910)	(144,986)	(172,797)	(2,081)
Cash and cash equivalents – beginning of year	<u>921,084</u>	<u>153,963</u>	<u>335,796</u>	<u>1,410,843</u>	<u>52,645</u>
Cash and cash equivalent – end of year	<u>\$ 897,183</u>	<u>\$ 150,053</u>	<u>\$ 190,810</u>	<u>\$ 1,238,046</u>	<u>\$ 50,564</u>

Change in investment in joint venture (\$4,091) is a noncash transaction and does not effect cash flow in Electric Fund.

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For Fiscal Year Ended March 31, 2005

RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY (USED IN) OPERATING ACTIVITIES

	Business-Type Activity Enterprise Funds			Governmental Activity - Internal Service Fund	
	Electric Fund	Water Fund	Sewer Fund	Totals (Memorandum Only)	Equipment Fund
Operating income (loss)	\$ 199,259	\$ (43,406)	\$ (128,404)	\$ 27,449	\$ (23,955)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	78,779	31,634	86,015	196,428	57,065
(Increase) decrease in:					
Customer receivables	39	880	577	1,496	
Prepaid expenses	5,453	1,468	2,347	9,268	122
Increase (decrease) in:					
Accrued expenses and other liabilities	(157,020)	11,414	7,914	(137,692)	740
Accrued leave	(959)	(389)	(225)	(1,573)	
Customer deposits		10	40	50	
Due to other funds		(3,840)	(8,160)	(12,000)	
Net cash provided by (used in) operating activities	\$ 125,551	\$ (2,229)	\$ (39,896)	\$ 83,426	\$ 33,972

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Clinton, Michigan (Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units

Effective April 1, 2004, the Village of Clinton, Michigan implemented the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Significant changes in the statement include the following:

- ◆ A Management's Discussion and Analysis (MD&A) section providing an analysis of the Village's overall financial position and results of operations has been included with the financial statements.
- ◆ Financial statements prepared using full accrual accounting for all of the Village's activities.
- ◆ A change in the fund financial statements to focus on the major fund.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Village of Clinton, Michigan has elected to implement the general provisions of the statement.

A. Reporting Entity

The Village of Clinton is a Michigan Municipal Corporation governed by the Village Council. The accompanying financial statements present the government and its component unit, entities for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Discretely presented component unit.

Downtown Development Authority (DDA) was created as a separate legal entity under Public Act 197 of 1975 of the State of Michigan. The purpose of the DDA is to plan and develop the downtown area of the Village and to attract new businesses and residents. The governing body of DDA is appointed by the Village Council for a fixed term. The Village approves the annual budget and any capital projects of DDA. Prior approval by the Village is needed on any taxation by DDA. And, the Village's approval is needed for any borrowing done by DDA. The Downtown Development Authority is presented as a governmental fund type.

Separate financial statements for the component unit are not available.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the legally separate *component unit* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and permanent funds. Major individual governmental funds and major individual utility funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Amounts due from other governments and services provided associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Projects Fund* is used to account for the acquisition and construction of major capital projects other than those financed by proprietary funds or trust funds.

Permanent Funds – The *Village of Clinton Robison Trust Fund* is a Nonexpendable Trust Fund in which the principal may not be expended. The *John f. Robison Tate Park Trust Fund* is a Trust Fund in which the resources, both principal and interest, may be expended. See Notes 8 and 9 for further details on these Trusts.

The government reports the following major proprietary funds:

The *Electric Fund* accounts for the activities of the Village's electric distribution operations.

The *Water Fund* accounts for the acquisition, operation, and maintenance of the Village's water system.

The *Sewer Fund* accounts for the acquisition, operation, and maintenance of the Village's sewer system.

Additionally, the government reports the following fund types:

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

Special Revenue Funds (Major Street, Local Street, Community Center Fund, Fire Fund, and Softball Program)) are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The *Internal Service Fund* (Equipment Fund) is used to account for equipment acquisition, maintenance and operation, and provides equipment rental to other funds or departments of the Village.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of the following subsequent private-sector guidance for their business-type activities (utility and motor vehicle funds), subject to this same limitation. The Village has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments of utility charges between the Village's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various function concerned.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amounts reported as *program revenues* included 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary Funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility funds are charges to customers for sales and services. Operating expenses for the funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Assets, liabilities, and net assets or equity.

1. Cash and investments

Cash includes amounts in cash on hand, demand deposits, except those deposits noted as investments (see below), as well as short-term investments with a maturity date within three months of the date acquired by the government.

Investments include money market and certificates of deposit where the intent is to hold funds long-term, as well as investments with maturity dates over three months of the date acquired by the government.

State statutes authorize the government to invest in Obligations of the U.S. Treasury, Federal Agencies, commercial paper, corporate bonds, repurchase agreements, and State approved Investment Pools.

Investments are stated at cost or amortized cost. The Village Council will use amortized cost only when it reflects fair value of the investment. Currently, no investments are stated at amortized cost.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. The Village had advances from the Village of Clinton Robison Trust to the Water and Sewer Funds.

Personal property taxes receivable is shown net of an allowance for uncollectibles.

Property taxes are levied as of July 1 on property values assessed as of the prior December 1. The billing is mailed on July 1 and is considered due upon receipt by the taxpayer; however, the actual due date is September 14. A lien on property occurs when property taxes are levied (July 1). On September 14, the bill becomes delinquent and penalties and interest may be assessed by the government.

The Village had a general tax millage of 9.70 for 2004. The Village's maximum allowable millage is 12 mills. It also levied 0.78 mills for the Smith-Kimball Community Center.

Also, the Village levies a tax on certain properties for the Downtown Development Authority.

Delinquent real property taxes are turned over to the County and reimbursed through a revolving fund. Therefore, property taxes receivable are not accounted for under the 60 day rule.

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include property, building, equipment, and infrastructure assets (e.g., road, storm sewers and utility systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, buildings, and equipment of the primary government, as well as the component unit, is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Land improvements	30
Buildings	15 – 16
Machinery, equipment, and furnishings	10 – 20
Utility systems	20 – 60
Infrastructure	20 – 30

5. Compensated absences

The current portion of the liability for accumulated sick, personal, vacation, and compensated time vested is shown in the relative governmental funds. The total (current and long-term portions) are shown in the Proprietary Funds and in the government-wide statements.

6. Long-term obligations

In the governmental-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

In the fund financial statements, governmental fund types recognize any bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

The accounting basis used by the Village for budgeting is in accordance with accounting principles generally accepted in the United States of America (GAAP).

The Village follows the budgetary procedures outlined by the State of Michigan including public hearings and proper adoption. All funds of the Village have a budget. All annual appropriations lapse at fiscal year end. The budgets are amended during the year as needed.

B. Excess of expenditures over appropriations in budgetary funds

P.A. 621 of 1978, Section 18(1), as amended, of the State of Michigan provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the Village for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2005, the Village incurred expenditures in the governmental funds which were in excess of the amounts appropriated, as follows:

<u>Fund</u>	<u>Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
General Fund			
Building and zoning inspection	\$ 15,390	\$ 16,630	\$ 1,240
Street lighting	45,000	46,015	1,015
Sidewalks	2,000	2,015	15
Waste collection and disposal	80,000	83,095	3,095
Parks	36,550	44,208	7,658
Major Street			
Winter maintenance	9,940	13,317	3,377
Local Street			
Winter maintenance	9,940	13,169	3,229

These additional expenditures were funded by greater than anticipated revenues.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Primary Government

At year end, bank deposits amounted to \$1,109,570. Of this amount \$200,000 was covered by Federal Depository Insurance and \$909,570 was uninsured and uncollateralized. At certain times of the year, especially when property taxes are being collected, the Village's uncollateralized deposits increase significantly; as a result, the amounts of uncollateralized deposits at those times were higher. All deposits are with banks located in Michigan as required by statutes.

At year end, bank balances, net of checks written but not cleared, as recorded in the financial statements were \$1,010,450. Of that amount, \$125,942 was in cash and checking; and \$884,508 in the 'J Fund' account. Such accounts are authorized by statutes.

Component Unit

Deposits. The component unit had deposits with a carrying value and bank balance of \$102,645 at year end. This account is part of the J Fund with Comerica Bank.

Primary Government

The Village had investments with carrying value and bank balance of \$3,389,406 at year end of which \$300,000 is covered by Federal Depository Insurance.

Investments consist of:

<u>Certificates of Deposit</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance March 31, 2005</u>
General Fund	5/22/05	1.39%	\$ 49,656
General Fund	7/24/05	3.65	107,548
Electric Fund	7/24/05	3.65	268,870
Sewer Fund		2.04	22,338
Sewer Fund	7/24/05	3.65	107,548
Water Fund	7/24/05	3.65	53,774
 <u>Money Market</u>			
Electric Fund	-	1.76	204,238
Electric Fund	-	2.62	200,000
 <u>Managed Accounts at United Bank & Trust</u>		<u>Current Yield</u>	
Village of Clinton Robison Trust		3.85%	1,120,430
John F. Robison Tate Park		3.76	<u>1,255,004</u>
			<u>\$ 3,389,406</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2005

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of year end for the government's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Major Streets</u>	<u>Local Streets</u>	<u>Community Center</u>
Receivables:				
Taxes	\$ 16,603	\$	\$	\$ 1,260
Accounts				
Special assessments	2,416			
Intergovernmental		10,081	3,637	
Accrued interest	<u>2,737</u>	<u>347</u>	<u> </u>	<u>154</u>
Gross receivables	21,756	10,428	3,637	1,414
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 21,756</u>	<u>\$ 10,428</u>	<u>\$ 3,637</u>	<u>\$ 1,414</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2005

<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Equipment Fund</u>	<u>Total</u>	<u>Component Unit - DDA</u>
\$ 291,654	\$ 14,425	\$ 44,049	\$	\$ 17,863	\$ 171
				350,128	
				2,416	
				13,718	
<u>4,118</u>	<u>885</u>	<u>1,323</u>	<u>217</u>	<u>9,781</u>	<u>433</u>
295,772	15,310	45,372	217	393,906	604
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 295,772</u>	<u>\$ 15,310</u>	<u>\$ 45,372</u>	<u>\$ 217</u>	<u>\$ 393,906</u>	<u>\$ 604</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2005

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets

Capital asset activity for the year ended March 31, 2005 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 170,152	\$	\$	\$ 170,152
Construction in progress	<u>499,647</u>	<u>18,150</u>	<u>(349,100)</u>	<u>168,697</u>
Total capital assets, not being depreciated	<u>669,799</u>	<u>18,150</u>	<u>(349,100)</u>	<u>338,849</u>
Capital assets, being depreciated:				
Land improvements	552,180			552,180
Buildings	1,135,775	18,650		1,154,425
Equipment, machinery, and furnishings	1,319,051	131,566		1,450,617
Infrastructure	<u>3,906,489</u>	<u></u>	<u></u>	<u>3,906,489</u>
Total capital assets, being depreciated	<u>6,913,495</u>	<u>150,216</u>	<u>-</u>	<u>7,063,711</u>
Less: Accumulated depreciation for:				
Land improvements	(165,654)	(18,406)		(184,060)
Buildings	(686,588)	(22,903)		(709,491)
Equipment, machinery, and furnishings	(812,888)	(84,619)		(897,507)
Infrastructure	<u>(2,248,896)</u>	<u>(176,305)</u>	<u></u>	<u>(2,425,201)</u>
Total accumulated depreciation	<u>(3,914,026)</u>	<u>(302,233)</u>	<u>-</u>	<u>(4,216,259)</u>
Total capital assets, being depreciated, net	<u>2,999,469</u>	<u>(152,017)</u>	<u>-</u>	<u>2,847,452</u>
Governmental activities, capital assets – net	<u>\$ 3,669,268</u>	<u>\$ (133,867)</u>	<u>\$ (349,100)</u>	<u>\$ 3,186,301</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2005

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 30,644	\$ -	\$ -	\$ 30,644
Capital assets, being depreciated:				
Utility systems	8,204,291	535,040	-	8,739,331
Total capital assets, being depreciated	8,204,291	535,040	-	8,739,331
Less: Accumulated depreciation for:				
Utility systems	(4,338,419)	(196,428)	-	(4,534,847)
Total accumulated depreciation	(4,338,419)	(196,428)	-	(4,534,847)
Total capital assets, being depreciated – net	3,865,872	338,612	-	4,204,484
Business-type activities, capital assets – net	<u>\$ 3,896,516</u>	<u>\$ 338,612</u>	<u>\$ -</u>	<u>\$ 4,235,128</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 19,809
Public safety	43,009
Culture and recreation	39,665
Highways and streets	199,750
Total depreciation expense – governmental activities	<u>\$ 302,233</u>
Business-type activities:	
Utility systems	<u>\$ 196,428</u>
Total depreciation expense – business-type activities	<u>\$ 196,428</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

Discretely presented component unit:

Capital asset activity for the Downtown Development Authority (DDA) for the year ended March 31, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Land improvements	\$ 269,000	\$	\$	\$ 269,000
Less: Accumulated depreciation for:				
Land improvements	<u>(60,966)</u>	<u>(8,967)</u>	<u> </u>	<u>(69,933)</u>
DDA capital assets – net	<u>\$ 208,034</u>	<u>\$ (8,967)</u>	<u>\$ -</u>	<u>\$ 199,067</u>

D. Interfund receivables, payables, and transfers

Primary Government

Due to/from other funds:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	\$ 547	Storm Water	\$ 547
Major Street	2,377	Local Street	2,377
Local Street	<u>2,377</u>	General	<u>2,377</u>
Total	<u>\$ 5,301</u>		<u>\$ 5,301</u>

Advance to/from other funds:

Village of Clinton	\$	Sewer Fund	\$ 93,840
Robison Trust	<u>138,000</u>	Water Fund	<u>44,160</u>
Total	<u>\$ 138,000</u>		<u>\$ 138,000</u>

Due to/from primary government and component unit:

<u>Receivable Entity</u>		<u>Payable Entity</u>	
Downtown Development Authority (Component Unit)	<u>\$ 2,963</u>	General Fund (Primary Government)	<u>\$ 2,963</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2005

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers:

Transfers out:	<u>Transfers In</u>							<u>Total</u>
	<u>General</u>	<u>Local Street</u>	<u>Debt Service</u>	<u>Fire Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Equipment Fund</u>	
Capital projects	\$ 547	\$	\$	\$	\$ 138,831	\$ 210,269	\$	\$ 349,647
General		20,000	14,290	62,500				96,790
Major Street		20,000						20,000
Downtown Development Authority			16,000					16,000
Electric							85,000	85,000
Total	<u>\$ 547</u>	<u>\$ 40,000</u>	<u>\$ 30,290</u>	<u>\$ 62,500</u>	<u>\$ 138,831</u>	<u>\$ 210,269</u>	<u>\$ 85,000</u>	<u>\$ 567,437</u>

E. Long-term debt

The following is a summary of long-term debt transactions of the Village for the year ended March 31, 2005:

	<u>Primary Government Bond Issue</u>	<u>DDA Note Payable</u>	<u>DDA Bond Issue</u>	<u>Accrued Employee Benefits</u>	<u>Total</u>
Long-term debt at March 31, 2004	\$ 410,000	\$ 74,000	\$ 148,000	\$ 143,559	\$ 775,559
Principal payment	(15,000)		(18,000)		(33,000)
Decrease in accrued employee benefits				(566)	(566)
Long term note payable – United Bank & Trust		(10,000)			(10,000)
Long-term debt at March 31, 2005	<u>\$ 395,000</u>	<u>\$ 64,000</u>	<u>\$ 130,000</u>	<u>\$ 142,993</u>	<u>\$ 731,993</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2005

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

The Schedule of Indebtedness is as follows:

<u>Description</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Amount of Annual Maturity</u>	<u>Principal Outstanding March 31,</u>	
				<u>2005</u>	<u>2004</u>
Primary Government					
General Obligation			\$ 15,000		
Amount of Issue \$410,000	7%	5/1/2019	to \$ 35,000	<u>\$ 395,000</u>	<u>\$ 410,000</u>
Component Unit					
Special Revenue Downtown			\$ 6,000		
Development Authority			to		
Amount of Issue \$195,000	6.25%	5/1/2009	\$ 30,000	<u>\$ 130,000</u>	<u>\$ 148,000</u>
Component Unit					
Special Revenue Downtown			\$ 8,000		
Development Authority			to		
Amount of Note \$100,000	6.19%	11/01/2009	\$ 12,000	<u>\$ 64,000</u>	<u>\$ 74,000</u>

Annual debt service requirements to maturity for general obligation bonds and contract purchase are as follows:

	<u>Governmental Activities</u>		<u>Component Unit - DDA</u>	
<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 15,000	\$ 14,848	\$ 32,000	\$ 11,201
2007	15,000	14,390	33,000	9,166
2008	20,000	13,837	36,000	7,007
2009	20,000	13,188	41,000	4,599
2010 – 2014	130,000	53,193	52,000	2,033
2015 – 2019	160,000	25,331		
2020	<u>35,000</u>	<u>788</u>		
	<u>\$ 395,000</u>	<u>\$ 135,575</u>	<u>\$ 194,000</u>	<u>\$ 34,006</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2005

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. Advance (loan) to other funds

The Village of Clinton Robison Trust has loaned money to the Water Fund (\$44,160) and Sewer Fund (\$93,840). The promissory note with the Village states annual payments on principal will be made by November 1, and interest at 4.5% will be paid each May 1 and November 1. The final payment on the note is due January 15, 2014.

Annual debt service requirements to maturity for this loan are as follows:

Year Ending March 31,	<u>Business-Type Activities</u>			
	<u>Water Fund</u>		<u>Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 4,160	\$ 1,988	\$ 8,840	\$ 4,222
2007	4,160	1,800	8,840	3,826
2008	4,480	1,612	9,520	3,428
2009	4,800	1,412	10,200	2,998
2010 – 2014	<u>26,560</u>	<u>3,688</u>	<u>56,440</u>	<u>7,834</u>
	<u>\$ 44,160</u>	<u>\$ 10,500</u>	<u>\$ 93,840</u>	<u>\$ 22,308</u>

NOTE 4. PROPERTY LIABILITY, UNEMPLOYMENT, AND WORKMEN'S COMPENSATION INSURANCE COVERAGE

The Village is a member of the Michigan Township Participating Plan for insuring its properties and for general liability.

The Village is a member of the Municipal Unemployment Compensation Group Account under the Michigan Municipal League for unemployment coverage.

Workers' Compensation coverage is under the Michigan Municipal League Workers' Compensation Fund.

Any contingent liabilities under these arrangements are not known.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2005

NOTE 5. OTHER INFORMATION

Retirement Plan

A. Plan Description

The Village contributes to the Michigan Municipal Employees' Retirement System (MERS), an agent multi-employer defined benefit pension plan, which provides retirement benefits to all full-time employees of the Village. MERS is administered by its Board of Trustees. The actuary for the System is Gabriel, Roeder, Smith & Company. The Municipal Employees' Retirement Act of 1984, as amended by 1996 Public Act 220 of the State of Michigan, assigns the authority to establish and amend the benefit provisions of the plans that participate in MERS to the respective employer entities; for the Village of Clinton, that authority rests with the Village. The Municipal Employees' Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to Municipal Employees Retirement System of Michigan, 447 North Canal Road, Lansing, Michigan 48917.

B. Funding Policy

Employees make contributions under the plan. The Village is required to contribute the actuarially determined amount each year.

C. Annual Pension Cost

For the year ended March 31, 2005, the Village's required annual pension contribution was zero. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included -

- [a] 8.0% investment rate of return,
- [b] projected salary increases of 4.5% per year compounded annually,
- [c] the assumption that benefits will increase between 1.0% to 2.5% per year (annually) after retirement.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2005

NOTE 5. OTHER INFORMATION (Continued)

The actuarial value of MERS' assets was determined using techniques that smooth the effects of short term volatility in the market value of investments over a five year period.

Actuarial Accrued Liability (as of 12/31/03)

Retirees and beneficiaries currently receiving benefits	\$ 467,879
Terminated employees not yet receiving benefits	130,225
Current employees --	
Accumulated employee contributions including allocated investment income	76,996
Employer financed	<u>1,605,059</u>
 Total Actuarial Accrued Liability	 2,280,159
 Net Assets Available for Benefits at Actuarial Value	 <u>2,200,887</u>
 (Market Value is \$2,009,647)	
 Unfunded (Overfunded) Actuarial Accrued Liability	 <u>\$ 79,272</u>

Three Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
March 31, 2003	\$ -0-	100%	0
March 31, 2004	-0-	100%	0
March 31, 2005	10,416	100%	0

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 5. OTHER INFORMATION (Continued)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets [a]	Actuarial Accrued Liability (AAL) Entry Age [b]	Unfunded AAL (UAAL) [b-a]	Funded Ratio [a/b]	Covered Payroll [c]	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/99	\$ 1,605,998	\$ 1,490,972	\$ (115,026)	108	\$ 639,277	-0-
12/31/00	1,747,024	1,695,354	(51,670)	103	636,397	-0-
12/31/01	1,874,502	1,684,799	(189,703)	111	621,918	-0-
12/31/02	1,976,140	1,836,659	(139,481)	108	698,097	-0-
12/31/03	2,200,887	2,280,159	79,272	97	727,524	11

NOTE 6. DEFERRED COMPENSATION PLAN

The Village provides its employees a Deferred Compensation Plan, created in accordance with the Internal Revenue Code Section 457, that is administered by the ITT Hartford Insurance Group. The Plan, available to all employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

Under the deferred compensation plan, all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries.

NOTE 7. JOINT VENTURE – MICHIGAN SOUTH CENTRAL POWER AGENCY

The Village is a member municipality of the Michigan South Central Power Agency. The Michigan South Central Power Agency (the "Agency") is a public body politic and corporate of the State of Michigan organized on March 21, 1978, under the authority of Michigan Public Act 448 of 1976 (the "Act"), to supply electricity to member municipalities in South Central Michigan. The Act provides that the Agency will establish rates and charges so as to produce revenues sufficient to cover its costs (excluding depreciation and amortization expense) including debt service, but it may not operate its projects for profit, except insofar as any such profit will inure to the benefit of the public. Each member municipality appoints one member to the Board of the Agency. The member municipalities and their percentage shares are as follows:

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 7. JOINT VENTURE – MICHIGAN SOUTH CENTRAL POWER AGENCY (Continued)

<u>Municipality</u>	<u>Percentage Share</u>
Clinton	6.5
Coldwater	40.0
Hillsdale	25.5
Marshall	24.0
Union City	<u>4.0</u>
	<u>100.0</u>

Each member is a municipal corporation, organized under the laws of the State of Michigan, which owns and operates a municipal electric system. The member municipalities presently supply their customers with power and energy generated from the Agency's Project I and from the municipalities' existing generating facilities and also with power purchased from other utility companies.

Each of the member municipalities entered into (a) a Power Sales Contract with the Agency for the supply of power and energy from the Agency, and (b) a Substation Agreement with the Agency for services provided by the Agency to the member municipality with respect to substation facilities; both of these agreements will remain in effect as long as the Power Supply System Revenue Refunding Bonds, 1994, 1992, 1991, and 1986 Series are outstanding. Each member municipality also entered into an Economic Dispatch Agreement with the Agency providing for the dispatch by the Agency of power and energy from certain existing generating facilities of the member municipalities on an economic basis. The Power Sales Contracts between the Agency and the member municipalities require the Agency to provide, and the member municipalities to purchase from the Agency, all of the members' bulk power supply, as defined in the contracts. Each member is obligated to pay its share of the Agency's operating and debt service costs of Project I. The Substation Agreements require the Agency to provide, and the municipalities to purchase, services of the municipalities' substation facilities for transmission, transformation, and delivery of electric power and energy from the Agency to the municipalities. Under the Economic Dispatch Agreement, the member municipalities are required to sell to the Agency power generated by their facilities, defined as dedicated capacity.

VILLAGE OF CLINTON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 7. JOINT VENTURE – MICHIGAN SOUTH CENTRAL POWER AGENCY (Continued)

Michigan South Central Power Agency's revenue bonds outstanding are as follows:

	June 30	
	<u>2004</u>	<u>2003</u>
1992 Series – 3.50% to 5.90% Serial Bonds, maturing annually on November 1, 1997 to 2006	\$ 21,605,000	\$ 28,045,000
1994 Series – 7.00% Term bonds, due November 1, 2011	8,385,000	8,385,000
2000 Series – 6.00% Serial Bonds, maturing annually on May 1, 2010 to 2012	6,475,000	6,475,000
2002 Series – 5.00% Serial Bonds, maturing annually on November 21, 2008 to 2011	31,190,000	31,190,000
2003 Series – 4.08% Bonds , maturing annually on November 1, 2004 to 2010	<u>2,072,283</u>	<u> </u>
Total outstanding debt	<u>\$ 69,727,283</u>	<u>\$ 74,095,000</u>

These are revenue bonds secured by pledges of revenues earned, as well as assets in funds established by bond resolution

A summary of financial information on Michigan South Central Power Agency at June 30, 2004 and 2003 follows:

	<u>2004</u>	<u>2003</u>
Total assets	\$ 85,109,361	\$ 88,706,034
Total liabilities	72,543,249	76,202,861
Net assets	12,566,112	12,503,173
Operating revenues	36,757,645	36,118,189
Operating expenses	28,941,742	28,327,136
Income from operations	7,815,903	7,791,053
Investment and miscellaneous income	1,581,952	830,926
Interest and amortization expense	(5,044,406)	(5,803,853)
Other expense	(3,681,913)	(3,221,045)
Capital contributions and extraordinary item		(4,972,275)
Change in net assets	62,939	4,569,356

VILLAGE OF CLINTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2005

NOTE 8. VILLAGE OF CLINTON – ROBISON TRUST

The Village has created a trust funded by unrestricted gifts from the Estate of John F. Robison (\$1,234,613). It is the intent of the Village that all gifts to this trust will be held as endowments with the principal invested permanently and the investment income to be used for the benefit of the Village of Clinton.

NOTE 9. JOHN R. ROBISON TATE PART TRUST

This trust has been created by the Village to provide a legal entity for handling the restricted gifts from the Estate of John F. Robison (\$1,234,613). The donor has restricted the use of these gifts to the operation, improvement, and maintenance of Tate Park. Both principal and investment income can be used for the restricted purposes.

VILLAGE OF CLINTON, MICHIGAN

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

March 31, 2005

	<u>Debt Service</u>	<u>Major Street Fund</u>	<u>Local Street Fund</u>	<u>Community Center Fund</u>	<u>Fire Fund</u>	<u>Softball Program</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 151	\$ 79,723	\$ 746	\$ 48,310	\$ 15,396	\$ 1,147	\$ 145,473
Receivables (net of allowance allowance for uncollectibles):							
Property taxes				1,260			1,260
Due from other governmental units		10,081	3,637				13,718
Accrued interest		347		154			501
Due from other funds		2,377	2,377				4,754
Prepaid expenses and other assets		126	125	1,763	6,604		8,618
Total assets	<u>\$ 151</u>	<u>\$ 92,654</u>	<u>\$ 6,885</u>	<u>\$ 51,487</u>	<u>\$ 22,000</u>	<u>\$ 1,147</u>	<u>\$ 174,324</u>
LIABILITIES							
Accounts payable	\$	\$	\$	\$ 441	\$ 4,231	\$ 200	\$ 4,872
Accrued expenses		450	413	571			1,434
Due to other funds			2,377				2,377
Total liabilities	<u>-</u>	<u>450</u>	<u>2,790</u>	<u>1,012</u>	<u>4,231</u>	<u>200</u>	<u>8,683</u>
FUND BALANCES							
Reserved for:							
Debt Service	151						151
Unreserved, undesignated		92,204	4,095	50,475	17,769	947	165,490
Total fund balance	<u>151</u>	<u>92,204</u>	<u>4,095</u>	<u>50,475</u>	<u>17,769</u>	<u>947</u>	<u>165,641</u>
Total liabilities and fund balances	<u>\$ 151</u>	<u>\$ 92,654</u>	<u>\$ 6,885</u>	<u>\$ 51,487</u>	<u>\$ 22,000</u>	<u>\$ 1,147</u>	<u>\$ 174,324</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF CLINTON, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended March 31, 2005

	<u>Debt Service</u>	<u>Major Street Fund</u>	<u>Local Street Fund</u>	<u>Community Center Fund</u>	<u>Fire Fund</u>	<u>Softball Program</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:							
Property taxes	\$	\$	\$	\$ 49,061	\$	\$	\$ 49,061
Intergovernmental revenues:							
State gas weight tax		108,695	39,184				147,879
County revenue sharing		1,874					1,874
Interest		1,200	9	754	87	8	2,058
Licenses, fees and charges for services:							
Fee revenue							
Rentals				7,470		14,050	14,050
Township contributions					69,630		7,470
Miscellaneous					<u>9,564</u>		<u>69,630</u>
Total revenues	-	<u>111,769</u>	<u>39,193</u>	<u>57,285</u>	<u>79,281</u>	<u>14,058</u>	<u>301,586</u>
Expenditures:							
Highways and streets		96,871	78,902				175,773
Debt service:							
Principal	15,000						15,000
Interest	15,290						15,290
Public safety:					137,281		137,281
Fire							
Culture and recreation:							
Softball program				58,097		15,087	15,087
Community Center							<u>58,097</u>
Total expenditures	<u>30,290</u>	<u>96,871</u>	<u>78,902</u>	<u>58,097</u>	<u>137,281</u>	<u>15,087</u>	<u>416,528</u>

	<u>Debt Service</u>	<u>Major Street Fund</u>	<u>Local Street Fund</u>	<u>Community Center Fund</u>	<u>Fire Fund</u>	<u>Softball Program</u>	<u>Total Nonmajor Governmental Funds</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (30,290)	\$ 14,898	\$ (39,709)	\$ (812)	\$ (58,000)	\$ (1,029)	\$ (114,942)
Other financing sources (uses):							
Transfers in	30,290		40,000		62,500		132,790
Transfers out		(20,000)					(20,000)
Total other financing sources (uses)	30,290	(20,000)	40,000	-	62,500	-	112,790
Net change in fund balances	-	(5,102)	291	(812)	4,500	(1,029)	(2,152)
Fund balances – beginning of year	151	97,306	3,804	51,287	13,269	1,976	167,793
Fund balances – end of year	\$ 151	\$ 92,204	\$ 4,095	\$ 50,475	\$ 17,769	\$ 947	\$ 165,641

VILLAGE OF CLINTON, MICHIGAN

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL

For the Year Ended March 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ 50	\$ 50	\$	\$ (50)
Total revenues	50	50	-	(50)
Expenditures:				
Debt Service:				
Principal	15,000	15,000	15,000	
Interest	15,090	15,690	15,290	400
Total expenditures	30,090	30,690	30,290	400
Deficiency of revenues under expenditures	(30,640)	(30,640)	(30,290)	(350)
Other financing sources:				
Transfers in	30,640	30,640	30,290	350
Net change in fund balance	-	-	-	-
Fund balance – beginning of year			151	
Fund balance – end of year			\$ 151	

VILLAGE OF CLINTON, MICHIGAN

MAJOR STREET SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL

For the Year Ended March 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State gas weight tax	\$ 85,000	\$ 85,000	\$ 108,695	\$ 23,695
County revenue sharing	1,000	1,000	1,874	874
Interest	<u>100</u>	<u>100</u>	<u>1,200</u>	<u>1,100</u>
Total revenues	<u>86,100</u>	<u>86,100</u>	<u>111,769</u>	<u>25,669</u>
Expenditures:				
Routine maintenance	70,420	70,420	62,531	7,889
Traffic service	6,590	6,590	3,919	2,671
Winter maintenance	9,940	9,940	13,317	(3,377)
Administrative	<u>18,750</u>	<u>18,750</u>	<u>17,104</u>	<u>1,646</u>
Total expenditures	<u>105,700</u>	<u>105,700</u>	<u>96,871</u>	<u>8,829</u>
Excess (deficiency) of revenues over (under) expenditures	(19,600)	(19,600)	14,898	34,498
Other financing uses:				
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balance	(39,600)	(39,600)	(5,102)	34,498
Fund balance – beginning of year			<u>97,306</u>	
Fund balance – end of year			<u>\$ 92,204</u>	

VILLAGE OF CLINTON, MICHIGAN

LOCAL STREET SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL

For the Year Ended March 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State gas weight tax	\$ 30,000	\$ 30,000	\$ 39,184	\$ 9,184
Interest	<u> </u>	<u> </u>	<u> 9</u>	<u> 9</u>
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>39,193</u>	<u>9,193</u>
Expenditures:				
Routine maintenance	57,160	57,160	45,255	11,905
Traffic service	6,090	6,090	3,374	2,716
Winter maintenance	9,940	9,940	13,169	(3,229)
Administrative	<u>18,750</u>	<u>18,750</u>	<u>17,104</u>	<u>1,646</u>
Total expenditures	<u>91,940</u>	<u>91,940</u>	<u>78,902</u>	<u>13,038</u>
Excess (deficiency) of revenues over (under) expenditures	(61,940)	(61,940)	(39,709)	22,231
Other financing sources:				
Transfers in	<u>61,940</u>	<u>61,940</u>	<u>40,000</u>	<u>(21,940)</u>
Net change in fund balance	-	-	291	291
Fund balance – beginning of year			<u>3,804</u>	
Fund balance – end of year			<u>\$ 4,095</u>	

VILLAGE OF CLINTON, MICHIGAN

COMMUNITY CENTER FUND SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE --
BUDGET AND ACTUAL

For the Year Ended March 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 45,300	\$ 45,300	\$ 49,061	\$ 3,761
Miscellaneous	50	50		(50)
Rentals	6,800	6,800	7,470	670
Interest	<u>500</u>	<u>500</u>	<u>754</u>	<u>254</u>
Total revenues	52,650	52,650	57,285	4,635
Expenditures:				
Community Center expenses	<u>58,130</u>	<u>59,630</u>	<u>58,097</u>	<u>1,533</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,480)</u>	<u>(6,980)</u>	<u>(812)</u>	<u>6,168</u>
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(5,480)	(6,980)	(812)	6,168
Fund balance – beginning of year			<u>51,287</u>	
Fund balance – end of year			<u>\$ 50,475</u>	

VILLAGE OF CLINTON, MICHIGAN

FIRE FUND SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL

For the Year Ended March 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ 100	\$ 100	\$ 9,564	\$ 9,464
Township contributions	71,645	71,645	69,630	(2,015)
Interest			87	87
Total revenues	71,745	71,745	79,281	7,536
Expenditures:				
Fire expenses	<u>127,570</u>	<u>139,410</u>	<u>137,281</u>	<u>2,129</u>
Excess (deficiency) of revenues over (under) expenditures	(55,825)	(67,665)	(58,000)	9,665
Other financing sources:				
Transfers in	<u>55,825</u>	<u>55,825</u>	<u>62,500</u>	<u>6,675</u>
Net change in fund balance	-	(11,840)	4,500	16,340
Fund balance – beginning of year			<u>13,269</u>	
Fund balance – end of year			<u>\$ 17,769</u>	

VILLAGE OF CLINTON, MICHIGAN

SOFTBALL PROGRAM SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL

For the Year Ended March 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Rentals	\$ 400	\$ 400	\$	\$ (400)
Interest	10	10	8	(2)
Softball fees	<u>21,340</u>	<u>21,340</u>	<u>14,050</u>	<u>(7,290)</u>
Total revenues	21,750	21,750	14,058	(7,692)
Expenditures:				
Softball program expenses	<u>21,970</u>	<u>21,970</u>	<u>15,087</u>	<u>6,883</u>
Deficiency of revenues under expenditures	(220)	(220)	(1,029)	(809)
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(220)	(220)	(1,029)	(809)
Fund balance – beginning of year			<u>1,976</u>	
Fund balance -- end of year			<u>\$ 947</u>	